ROUND TABLE DISCUSSIONS

On Wednesday afternoon, December 31, there were round table discussions of (1) The policy of government with respect to competition, coöperation, monopoly, and the issue of securities; (2) Immigration and immigration problems; (3) The teaching of Economics; and (4) Is large-scale and centralized organization of marketing in the interests of the public? At each of these conferences there was a large attendance and spirited discussion. Short reports of three of these sessions, by their respective chairmen, Dean W. F. Gephart, Professor H. A. Millis, and Professor C. M. Thompson, are subjoined. A portion of the discussion at the conference on the organization of marketing is also given below.

Competition, Coöperation, and Monopoly

The round table discussion on "What should be the attitude of the government towards competition, coöperation, and monopoly," was well attended, and the discussion was participated in by a large number of speakers. Chairman Gephart opened the discussion by reviewing the pronounced governmental emphasis on preserving the competitive system as this idea expressed itself in the constitution and enacted law. It was pointed out that industrial development had been tending, in this country, towards large-scale production and integration of business, and in some instances, monopoly, and that much of our actual industrial development runs counter to the spirit of the constitution and the law.

It was argued that provision ought to be made in the law for a greater variety in forms of industrial organization, although it was generally agreed that this would involve more extensive and careful supervision and regulation on the part of the government. It was further argued that federal incorporation, with its accompanying supervision of many businesses of an interstate character, was a desirable line of development. Especial emphasis was given to the desirability of some general supervision and publicity of accounts of interstate business activities. While some of the business interests object to what they are pleased to call "government interference" in business, yet it was believed that an increasing number of the more intelligent business interests would welcome carefully devised supervision of business, not only for the protection that it would give to them in competition with other firms, but also because of the need of correcting much of the public misunderstanding regarding the real character of some businesses, such as the public utilities, storage houses, and others, towards which the public often have an unfavorable attitude, and which affects the legislation, especially state legislation, enacted for their regulation.

Immigration and Immigration Problems

The discussion was opened by Dr. W. E. Leiserson, who discussed the Immigrant and organized labor, Professor Don Lescohier, who discussed Immigration and the needs of the labor market, and Matthew Woll, who discussed the Position of the American Federation of Labor on immigration. The general discussion which followed was participated in by Professor Commons, Mr. Saposs, Professor Tyson, Mr. Bonnett, Mr. Mullenbach, Mr. Sam Levine, and Dr. N. I. Stone.

As a result of his Americanization studies, Dr. Leiserson expressed the opinion that whether the immigrant plays a small or a large rôle in organized labor depends largely upon whether organization proceeds upon the basis of the craft and the craft interest or upon the basis of industry. Professor Lescohier felt that immigration was needed for the development of the country, but was of the opinion that it should be considerably restricted for some years so that industrial relations might be so arranged as to prevent waste and to develop the efficiency of the existing labor supply. Mr. Woll explained that the American Federation of Labor is not at all opposed to the immigrant and immigration, but feels that there should be exclusion for two years during the reconstruction period. Our policy after two years should be to admit immigrants with proper regard to the possibilities of assimilating them and the opportunity to maintain proper labor conditions. Professor Commons advocated exclusion of immigrants on the ground that this is essential to the proper organization of labor, and expressed the opinion that we must look to a thorough organization of labor for the solution of our numerous labor problems.

The Teaching of Elementary Economics

Perhaps the most important fact brought out in the conference was the crowded condition of classes in elementary economics in all the colleges and universities of the country. Each speaker emphasized this point in explaining exactly how his institution had met the problem. California, to cite the most extreme case mentioned, had enrolled more than fourteen hundred in the elementary course, all of whom were brought together in a single lecture section once a week and distributed in numerous smaller quiz sections on other days. Wisconsin, Michigan, Iowa, Illinois, and Harvard were reported as beng compelled to resort to similar methods in order to accommodate the large number of students desiring instruction in economics.

The conference showed substantial differences of opinion as to the allotment of time and the best methods to be employed in the use of lectures and quizzes. Some institutions cover the subject in one semester, meeting five times a week; others meet but four times a week for a semester; while others take two semesters, meeting three or four times a week. Those institutions which adhere to the quarter system show the same divergence of practice.

The speakers disagreed also on the use of the lecture method. Some expressed a preference for formal lectures in which the work of the

various quiz instructors might be coördinated, and by which the entire student enrollment would be brought in contact with instructors with greater experience and maturity than quiz instructors usually have. Some preference was expressed for a plan whereby all instruction should be given in small quiz sections, each student having the same instructor for all recitations in the subject. A middle ground was taken by one or two speakers, who pointed out the advantage of replacing lectures with discussions made up of three or four quiz sections comprising a total number of students ranging from one hundred to one hundred and fifty. The last method, according to its friends, combined the best features of the lecture and eliminated its worst,—large numbers, inattention, lack of personal contact.

Much interest was shown in the policies of the different institutions represented in requiring students to make use of supplementary reading. Several speakers expressed a preference for an additional text book, but the weight of practice appeared to be in favor of materials such as those prepared by the Economics faculty of the University of Chicago. Professor Day of Harvard directed attention to the advisability of having some sort of loose-leaf service whereby current supplementary material could be furnished students as the course progressed. It seemed the concensus of opinion that such a service would produce better results than are now obtained in most institutions.

In the course of the discussion the point was brought out that severela institutions are engaged in a rather comprehensive program to better their instruction in economic principles. Professor Wright of the University of Chicago and Professor Wasson of the State University of Iowa each spoke of the efforts being made in their respective schools along these lines. At Iowa, the Department of Economics asked the students themselves to suggest in what ways instruction might be made more efficient; and Professor Wasson expressed the opinion that the results of the experiment justified the time and effort spent on it.

The opinion was very generally expressed that the conference was well worth while and that similar conferences ought to be held at subsequent meetings of the Association.

Is Large-Scale Centralized Organization of Marketing in the Interest of the Public?

L. D. H. Weld.—Before deciding upon the topic for discussion at this round table meeting on Marketing, I sent out a number of letters asking for suggestions as to possible topics and speakers. Some of those who replied suggested that the packing industry would furnish a good topic; others suggested various developments in marketing which are in the direction of more efficient methods and organization.

Since I represent the packing industry I did not care to make that the specific topic for discussion, and therefore I announced this general subject so that the discussion might be steered into whatever channel the temper and interest of the attending group might determine.

It struck me that the topic decided upon covered a number of the most important developments that have been taking place in marketing. For example, we can easily discuss the packing-house situation if that is the desire of those present. The topic covers important developments in fruit marketing such as the California Fruit Growers Exchange, and the new American Fruit Growers, Inc., which is represented by Mr. Brand. Under this topic may be considered the development of chain stores, or of mail-order houses, or of department stores. It covers the question of concentration of milk distribution in large companies and whether economies would be gained by having a municipal monopoly in milk distribution.

In one sense the topic for discussion is one-sided, because I believe that in general there is only one answer. I believe that most of us will agree that better service and greater efficiency result from the development of large-scale marketing, although there are undoubtedly some exceptions to this general rule.

The only question seems to be whether large marketing organizations contain elements of danger. Are they too big? Do they have monopoly power? Do they resort to unfair trade practices in order to gain in size?

I have long been convinced that the study of any marketing problem should begin with a consideration of the functions performed in the distributing process. These functions, as I have pointed out on other occasions, are assembling, storing, financing, assumption of risks, grading, selling, and transportation.

We are all familiar with the general organization that has developed to perform those functions; we know that there is a considerable amount of functional specialization, and that the marketing processes, at least for farm products, are carried on by such middlemen as country shippers, railroads, wholesalers and commission men, jobbers, and retailers.

On the whole we find relatively small units in the marketing organization, especially in connection with agricultural products. There are somewhat larger units on the average in the selling of manufactured products. We have discovered, contrary to popular opinion, that these middlemen have attained a fairly high degree of efficiency in the performance of their tasks, and that there is ample economic justification for the splitting up of the marketing processes into successive steps. The marketing functions have to be performed, whether by one concern which buys the goods from the farmer and sells them to the consumer, or whether the functions are split up among four or five successive middlemen. The elimination of middlemen does not eliminate the functions performed, and does not ordinarily reduce the cost of performing the aggregate of functions. It is the burden of my argument that under certain conditions, however, there are advantages to be gained in the performance of these functions through concentration and organization on a large scale.

Not to disappoint those who hope that we may get something started

on the problem of the meat packers, I shall give special consideration to this industry in developing my organization. And it should be realized that this industry represents large-scale marketing in two or three ways: first, each of the large packers does a large volume of business in its principal products, which are meats; second, each has undertaken the marketing of other products than strictly meat foods, although the extent to which this has been done varies for the different packers; and, third, the large meat packer represents a more direct system of marketing than is found in most trades in that "he does his own jobbing" and sells direct to the retail dealer. We thus have, in addition to large volume, the branching out into other lines, and the integration of the marketing processes.

It is conceivable that the packing industry might be carried on by thousands of small plants located in the producing sections of the Middle West and West, which ship their goods to hundreds of jobbers located in the consuming centers of the East. We might have a few hundred brokers located at Chicago and St. Louis to make connection between these small western manufacturers and the large number of small wholesalers and commission men in the East. This is the way that eggs and poultry and many other commodities are marketed.

The packing industry is a combination of manufacturing and selling. There is a real need for large manufacturers in order to bring about the greatest possible utilization of by-products. It is also necessary to have the plants large enough to be able to absorb the fluctuating receipts of live stock that come to market. As a matter of fact, we often refer in my company to the small packers as "in-and-outers," meaning that they buy when the market looks right to them and discontinue buying when conditions look unfavorable. The large packer varies his buying to a certain extent, but on the whole makes it possible to absorb the receipts of live stock that come to market, be they large or small.

Important as it is to have large manufacturing companies, it is equally important to have large distributing organizations in the packing business. Wholesale distribution of meats in the eastern cities is still carried on to a certain extent by small independent wholesalers, but the tendency has been for the large packers to establish their own sales outlets through so-called branch houses. Possibly the greatest advantage in this scheme of organization is that the large packing establishment in Chicago or other western city can keep directly in touch with trade conditions and can distribute its highly perishable meats to the various markets more efficiently and more in accordance with the varying demands than was possible when it depended upon outside wholesalers for its market. The only reason that it can afford to do this, however, is that it has such a large volume of business to put through each branch house that the cost of operating these branch houses is reduced to a minimum. Swift & Company's cost of operating branch houses, for example, is only about 4 per cent of the sales, and this includes an overhead administrative charge from the Chicago office.

It is perfectly obvious that no small packer in the West can afford a comprehensive sales organization in the East. A small packer might have enough business to maintain one branch house in New York, but unfortunately this one branch house will be wanting choice cuts of beef one week and cheap cuts of beef the next week. Demand for beef will be falling off in New York when live-stock receipts are increasing in the West, or vice versa. In other words, the western packer must have a large number of distributive outlets in various consuming centers before he can market his meats efficiently.

I could go into this in much greater detail, and demonstrate still more conclusively the need of the packers' large-scale distributing organizations in the sale of meats, but I think this point will be granted from what I have already said, and shall proceed briefly to the reasons why we have branched out into the handling of other commodities.

In the first place, we long ago found that with our refrigerating equipment in the form of storage houses, refrigerator cars, and cooling rooms in our branch houses, we could handle to advantage such commodities as butter, eggs, cheese, and poultry. We found that we had to add some overhead expense in the way of administration in our Chicago headquarters, but that much of our existing administrative machinery could also be utilized. We found that these goods could be sold to the same class of retailers by the same salesmen, and that they could be delivered in the same delivery trucks. We found that in general the same accounting force could attend to the making out of bills, etc. We found, in other words, that we could increase our volume of business without a commensurate increase in overhead expense for administration and for physical equipment, and that this increased tonnage not only made it possible to handle these related commodities expeditiously and economically, but that we could afford to have distributing houses for meats where otherwise the tonnage would not be sufficient, and that in general this increased tonnage decreased, or at least kept down, our selling expenses on meats. You may be interested to know that marketing expenses, including freight on our goods, constitute well over half of the total expenses of Swift & Company. In that sense, we are more important as distributors than we are as manufacturers.

To reduce this explanation to fundamental terms, let us refer again to the marketing functions with regard to the handling of these commodities.

In assembling, we are in close touch with the producing sections. We have established our own assembling plants, for butter, eggs, and poultry, in such states as Iowa, Missouri, and Kansas, thus permitting us to assemble to the best advantage, and at the same time furnishing a never failing market for producers. In storing, we have warehouses and refrigeration facilities in connection with our numerous packing plants, and we have refrigerator cars and refrigerating facilities in connection with our four hundred branch sales houses, which can be used for these products as well as for meats.

In financing, we are borrowing from banks all over the country in connection with our meat business, and can easily use the same sources of credit for our other products. As for the assumption of risks, we are in a position to minimize the risks involved, through having a nation-wide organization which is in constant touch with the changing conditions all over the country, and we have such a wide distributive outlet that we store goods only to satisfy our own trade requirements rather than as purely speculative ventures.

When it comes to grading, sorting, and packing, we reduce the number of times that goods must be sorted and re-handled by our direct shipment from assembling plants in the West to branch sales houses in the East, and we are in position to bring about a greater uniformity and standardization of grades than is customary.

As for the selling function, I have already explained how we utilize our sales organization in such a way as to reduce unit selling expenses. In performing the function of transportation we bring about a more exact distribution of goods by having control of our own refrigerator cars, and we utilize the same delivery trucks that are necessary for carrying meats to the door of the retailer.

The advantages that we have over the ordinary distributive machinery in the handling of these products are apparent, and yet they are not so great, measured in dollars and cents, as one might think. We still have to perform all the functions that are performed by other middlemen. We do not aim necessarily to undersell the market, and yet I believe it is a fact that we set the pace in competition. When a purchaser in New York wants a large quantity of eggs, we are not only likely to be able to make the best price,—perhaps only by a fraction of a cent per dozen,—but we are likely to have goods available in New York, or en route from some Kansas point, which will just fill the bill. Our advantage is perhaps even more in respect to service than it is in respect to price.

Through our central organization, which is constantly in touch with our hundreds of sales outlets, we are able to distribute most efficiently our supplies in accordance with varying demands, and we are more likely than perhaps any other distributor to have goods on hand at any particular point in the quantity and quality desired. This all means better organization, more scientific marketing, and greater benefits to both producer and consumer than are possible under an organization consisting entirely of small units.

The different packers have had varying opinions as to the economies obtainable by branching out into other lines. Armour & Company, for example, has gone into such products as coffee, rice, cereals, etc. Outside of butter, eggs, cheese, and poultry, Swift & Company has taken on practically nothing but canned goods and a little dried fish. I am not discussing in this connection the manufacture and sale of leather, soap, oleomargarine, fertilizer, etc., which are industries that carry to a further degree of manufacture the by-products of animals.

The unfortunate feature of this development has been that there

has grown up a feeling that we were going too far, and that we were getting control of the food supply of the nation. This feeling has been greatly augmented by the recent report of the Federal Trade Commission, which claims that the large packers have agreements, and that they are able to manipulate the prices of these commodities. This is not the case, however, and I wish that I could have an hour or two to prove to you that the Federal Trade Commission cannot be depended upon as a reliable source of information on this subject. I could show you so many glaring examples of misrepresentation, distorted figures, and suppression of evidence which refutes the very contentions of the Commission, that there would not be left in your minds the shadow of a doubt.

Unfortunately also, certain interests have seized upon the Federal Trade Commission's report, and helped to spread its unfounded conclusions among people who are only too ready to believe anything they hear that is detrimental to the packers. This is true especially of the wholesale grocers, who have apparently seen an opportunity to gain something for themselves by getting rid of the competition of packers in the sale of certain products that they handle.

Swift & Company has been doing its best to educate the public to get the people to realize that there has been ample economic justification for the handling of other than meat products, and that we perform the manufacturing and marketing functions at a minimum of expense and profit. It has been deemed wise, however, to make some concession to the prejudice which persists, and consequently the large packers have recently agreed with the Attorney General to submit to a decree prohibiting us from the handling of certain products, and requiring us to sell our interests in stock yards. Whether this will be beneficial, time only will tell. Personally, this concession has been a disappointment to me, because it means that we retire from a position which is not only perfectly legal, but which is perfectly justifiable from an economic point of view. It marks a step backward in economic and commercial development rather than a step forward.

The fundamental trouble in this whole controversy is a lack of knowledge on the part of the public of fundamental economic doctrine. The prejudice that results from this ignorance has been inflamed by demagogues, by political aspirants, and by a department of the government. I am not sure that any permanent solution can be worked out by making concessions to prejudice and ignorance. The ultimate solution lies in educating the public along sound economic lines, and I believe that every teacher of marketing and of economics should bend his energies toward a greater dissemination of economic truths.

Lewis H. Haney.—The preceding speaker has suggested that large scale marketing is a "good thing." In doing so, he fails to distinguish between the public benefit and private advantage. I do not doubt that the concern which Mr. Weld represents has found it profitable; but that is not the question.

In the first place, I cannot too strongly maintain that economic analysis will show that there is no normal tendency toward large-scale marketing, at least in the case of food products such as are handled by wholesale grocers. For one thing, I know that the relatively small wholesale distributor of food products makes as high a rate of profit as does the large one. More than this, the foregoing fact can be explained on the ground that in marketing no large fixed charges exist, and management is the chief factor. In marketing food products, no considerable fixed capital is required, and expenditure for advertising is very small. The jobber who can buy in carload lots can buy as cheaply as one who buys ten carloads, and one salesman can handle a given territory as cheaply per unit of product sold as a dozen salesmen can handle a territory twelve times as large.

In the second place, the forces which have led to such large-scale marketing as exists are not economic, but acquisitive. The chief ones are the use of (1) excessive advertising, and (2) discriminatory "quantity discounts." Excessive advertising campaigns lead the manufacturer to desire to keep his hands on his goods until they are disposed of to the retailer, or even the consumer. He is led to insist that his advertised goods be pushed more than the products of other manufacturers, and he also has a strong tendency to engage in "full-line forcing." The quantity discount is used as a means of inducing customers to favor the products of a given manufacturer, and this is purely an acquisitive matter. The discount is generally not based upon considerations of cost.

Of course the large manufacturer has a large volume of goods to handle and if he, for his own particular reason, wants to do his own marketing, it necessarily follows that he will market on a large scale. Mr. Weld represents what are primarily very large manufacturers. Now they want to market their advertised and trade-marked wares themselves (though they can do it no more cheaply than it can be done through the ordinary channels of wholesale distribution), and it follows that they engage in large-scale marketing. This fact merely throws us back on the question as to whether the concentration in manufacturing which is represented by the packers is itself a good thing for the public. I am inclined to the opinion that the enormous concentration in meat packing has a historical origin and not an economic one. It is based largely upon unfair methods, and the desire for power. In the case of the larger meat packers, in addition to the motives of the specialty manufacturer, we find an exaggeration of the advertising element and a large use of the discriminatory, "inside-price" methods, and of "full-line forcing." The "free deal" is grossly abused and the appeal to the housewife to keep an Oval Label Shelf, etc., is backed by pressure to induce the retailer to carry not only canned meats and lard, but also corn flakes and pancake flour of the same brand. Discriminations in transportation also enter into the situation here, and what may be called "unfair costing." Wherever we have a large line of goods put out by a single concern, especially where there is an ele-

ment of joint costs, there is apt to be a tendency to cut prices on some particular line of goods which it may be desired to push, and to justify the cut by charging a larger proportion of the total cost to some other product.

An examination of the packers' marketing organization will show that they duplicate, step by step, exactly the links in the chain which characterize the regular distributive system. The goods are shipped in carloads to branch houses, which correspond to the jobbers' warehouses, and from there are distributed in less than carload lots to retailers in the same way that the jobber operates. In the place of the jobber himself, we have the branch-house manager, who directs the operation of a force of salesmen in the same way that the independent jobber does. It would seem, therefore, that so far as the actual cost of distribution is concerned, the two would be similar.

It will be observed, however, that there are several factors in which the packers' method tends to be less economical than the regular method. In the first place, there is the dependence upon the hired man, as over against the vital, personal interest of the owner. In the second place, there is the enormous overhead attendant upon the attempt to supervise efficiently a nation-wide, yes, a world-wide organization, not merely of selling, but of manufacturing as well. A part of this overhead consists of inflated advertising expenditure which is largely institutional in character, and cannot be defended, either on the ground of economy or of educating the public to the use of new products. It may be argued that the large scale on which the packer does business enables him to reduce his overhead expense per unit, but in my judgment this is getting the cart before the horse. The packer's overhead expense has to be justified first, before the public can be asked to transfer its trade from others to him, for his sole benefit. It seems clear to my mind that the losses attending such concentration in marketing must offset much of the undoubted economy in manufacturing, and I am led to believe that the reason for the concentration lies in the lust for power and prestige. That the public could get its meat as cheaply or cheaper with less centralization is indicated by the fact that a number of smaller packers (including Cudahy) thrive, and the further fact that the big packers have to maintain an elaborate system of branch-house distribution.

This leads finally to the point that such organizations as the packers' illustrate the danger of monopoly which arises in connection with the tendency to larger-scale or centralized marketing. The question is a grave one, and one in which the economist has a special interest. As it is, however, one which is now up for adjudication, and one in which I have a special interest, I shall not go into further details.

My conclusion is that up to a certain point in certain lines of commodities, centralized or large-scale marketing may be desirable, but that most of the advantages claimed for it are purely acquisitive, and do not result in any public advantage. Also there is danger of monopoly. A rough attempt at classification might be made along the following lines:

1. When the product is a specialty and advertising is the controlling factor, the tendency is toward centralized marketing, though not necessarily on a very large scale. The question of public benefit here is inseparably connected with the advertising question, and, in my judgment, advertising may be excessive.

2. When the product is not a specialty, but one which we may call a staple, the question of legitimate tendency toward centralization in marketing depends chiefly upon the question of quantity buying. (1) If the consumers or purchasers are large and concentrated, we shall have large-scale, centralized marketing, as is illustrated in the metal industry. (2) If the consumers are small and scattered, we shall have relatively small-scale decentralized marketing. (3) The number and dispersion of the manufacturers also plays an important part, and when they are numerous and scattered, as in the case of canning of fruits and vegetables, we may expect relatively small-scale, decentralized marketing.

My aim has been to analyze the motives and forces which have given rise to the present tendency to centralization in marketing, as it manifests itself in various fields, and thus to reach a fundamental conclusion. It seems that most of the motives and forces arise out of acquisitive competitive situations, and cannot be generalized. For example, the advantages claimed by those manufacturers who go direct to the retail trade, if logically carried out, would require going to the consumer; and if those manufacturers are sound in their reasoning, every manufacturer producing the same commodity would go direct to the consumer. This would lead to a situation which would be wasteful, and would become impossible.

The various alleged advantages cancel out, as it were. The question of excessive advertising is like the question of armament among nations: If everyone engaged in the mad struggle to cover a greater area of paper with pictures of his product, we should be left just where we were when we began the struggle, with the difference that the consumer must foot the bill (or, as is now the case, Uncle Sam has it taken out of his excess profits taxes). If everyone gets an inside price, no one has an advantage in getting it. And so it goes on down the list.

I am inclined to the opinion that, in most cases, the outcome of the present disturbed conditions in the marketing world will be a return to the old and logical trade channels, with a distinct recognition of the separate functions of the wholesaler and the retailer; and I believe that if the wholesaler and retailer will profit by the lessons which they are in process of learning, this will be beneficial to the public.

L. C. Gray.—Professor Haney has based his objections to large-scale organization in marketing largely on the ground that the economic benefits are not passed on to the consumer but are retained as profits by the marketing agencies. As I understand it, the subject of discussion is whether large-scale organization in marketing is eco-

nomical. Whether or not the benefits of such economy are enjoyed by the consumer or by the marketing agencies is another question. Conceivably there might be considerable economies in large-scale organization even though the producers alone profited thereby. In such a case the problem of government would be to regulate the distribution of benefits in accordance with the principle of fairness without destroying economies effected by large-scale organization.

I am inclined to think that Professor Haney emphasized too much the purely acquisitive character of some of the practices of large-scale marketing organization, including advertising, full-line-forcing, and uniform brands. Although some advertising may not be economical and may be carried to an extreme, yet it is probable that it may have the effect of reducing other selling expenses, such as expense of maintaining commercial travellers. This is especially likely to be the case when the advertising is supplemented by the maintenance of a full line under a single brand. Instead of numerous travelling salesmen and other agents each selling a single line, the same salesman can carry the full line. Moreover, the full line and single brand may probably result in considerable economies in advertising expenses.

The question may be raised whether the integration of producing and marketing agencies by combining producers, wholesalers, and retailers in a single organization does not involve considerable economies by reducing the uncertainties and irregularities of trade. The wholesale division of the firm supplies the producer with a more certain and a steadier market, and the retail division of the firm provides a steadier market for the wholesale division. Competitive selling expenses as between these agencies are eliminated. It is possible to concentrate on the stimulation of consumers' demands.